



Erie Insurance Company®

Member • Erie Insurance Group
Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530
814.870.2000 • Toll free 1.800.458.0811 • Fax 814.870.3126 • www.erieinsurance.com

February 3, 2015

Morris Hadden, Esq.
Hunter, Smith & Davis, LLP
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664

Re: **ERIE Claim** #010810132622
ERIE Policy #Q57-6902909
ERIE Insured: Billy Norville
Date of Loss: 11/12/2014

Dear Attorney Hadden:

I am Kevin F. Nelson, Property & Casualty Records Examiner for the Erie Insurance Group. I hereby certify that on November 12, 2014, the enclosed Declarations, policy forms and endorsements were in effect under ERIE Policy #Q57-6902909. These are true likenesses of the documents issued to Billy Norville.

Sincerely,

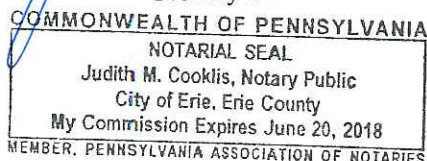
Kevin F. Nelson
P & C Records Examiner
Litigation/Claims Examination Dept.
(814) 870-6511

/bjm

Enclosures

Sworn to and subscribed before me
this 3 day of February, 2015.

Notary Public



72305_1.docx

DECLARATIONS

BLGRP

Erie
Insurance
Group100 Erie Ins. Pl.
Erie, PA 16530ERIE INSURANCE COMPANY
ERIESECURE HOME POLICYAMENDED DECLARATIONS 03 * *
EFFECTIVE 10/17/14 ATTACH THIS TO YOUR POLICY.

REASON FOR AMENDMENT - AMENDED ADDRESS &/OR LOC OF PROPERTY

AGENT

ITEM 2. POLICY PERIOD

POLICY NUMBER

HH2009 YOUNG-HUGHES INS INC

09/19/14 TO 09/19/15

Q57 6902909 VT

ITEM 1. NAMED INSURED AND ADDRESS

ITEM 3. OTHER INTEREST

BILLY NORVILLE
1403 DOWSLEY DR
HUMBOLDT TN 38343-1510AS LISTED BELOW
OR ON REVERSE SIDE

AGENT - YOUNG-HUGHES INS INC

25 N BELLS ST

AGENT PHONE - (731) 696-5480

ALAMO TN 38001 1729

COVERAGE BEGINS AND ENDS AT 12.01 AM STANDARD TIME AT THE LOCATION OF THE
INSURED PROPERTY. UNTIL TERMINATED, THIS POLICY WILL CONTINUE IN FORCE.LOCATION OF RESIDENCE PREMISES. ZIP CODE - 38343 1510
1403 DOWSLEY DR HUMBOLDT TN.PROPERTY INFORMATION - PRIMARY RESIDENCE - OWNER OCCUPIED DWELLING, YEAR OF
CONSTRUCTION 1965, MASONRY VENEER.* THE AMOUNT OF INSURANCE APPLYING TO THE DWELLING IS THE REPLACEMENT COST
AT THE TIME OF THE LOSS, SUBJECT TO POLICY CONDITIONS AND REQUIREMENTS.
THE ESTIMATED REPLACEMENT COST OF THE DWELLING IS \$ 196,500.

SECTION I - PROPERTY PROTECTION

AMOUNT OF INSURANCE

DWELLING

*GUARANTEED REPLACEMENT COST

OTHER STRUCTURES

\$ 39,300

PERSONAL PROPERTY

\$ 147,375

LOSS OF USE

LOSS SUSTAINED NOT TO

EXCEED 24 CONSECUTIVE MONTHS

SECTION II - HOME AND FAMILY LIABILITY PROTECTION

PERSONAL LIABILITY - EACH OCCURRENCE

\$ 300,000

MEDICAL PAYMENTS TO OTHERS - EACH PERSON

\$ 5,000

NO DIFFERENCE IN PREMIUM DUE TO THE CHANGE

\$.00

SECTION I DEDUCTIBLE \$ 1000.

APPLICABLE FORMS - ESH 06/11, ES00209 01/12, UFA301 09/11, UFA198 11/12,
ES00203 01/12, ENDTOM, UFA849 03/12, UF2106 04/08, UFA764 09/14, ES00579 01/12.

MORTGAGEE

LN 7314090014

RENASANT BANK & ENDTOM

2001 PARK PLACE NORTH

SUITE 650

BIRMINGHAM AL 35203-2788

SEE REVERSE SIDE

AGT

10/20/14

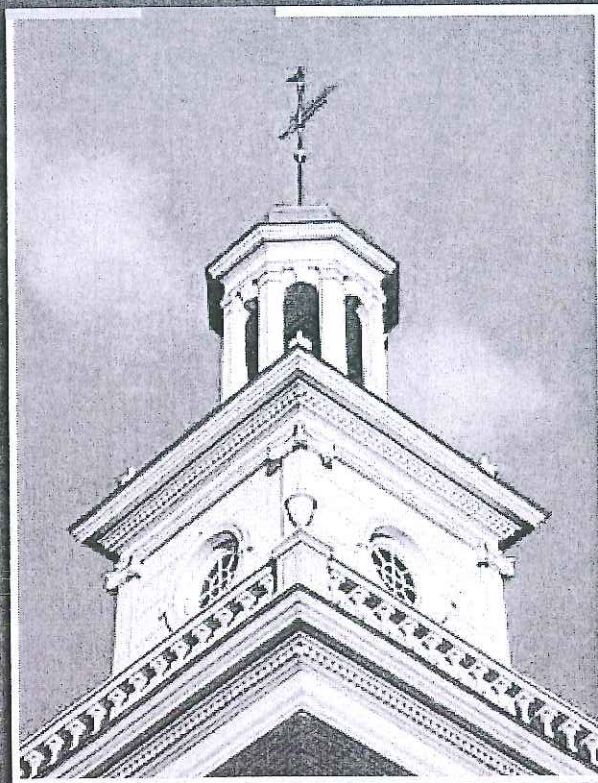
NO BUSINESS PURSUITS ARE CONDUCTED AT THE PREMISES, EXCEPT AS FOLLOWS -

APPLICABLE DISCOUNTS AND SELECTED ENDORSEMENTS

HOME/AUTO MULTI-POLICY DISCOUNT	INCL ABOVE
YOUR PREMIUM REFLECTS SAVINGS DUE TO A HIGHER DEDUCTIBLE	
PREMISES ALARM SYSTEM	
ERIESECURE HOME PLUS ENDORSEMENT - INCLUDES:	\$ 80.00
\$25,000 IDENTITY RECOVERY AND FRAUD REIMBURSEMENT	
COVERAGE - \$250 DEDUCTIBLE APPLIES	
OFF PREMISES COVERAGE FOR SERVICE VEHICLES AND OTHER STRUCTURES	
PERSONAL COMPUTER COVERAGE UP TO \$2,000	
SIDING AND ROOFING RESTORATION COVERAGE UP TO \$10,000	
INCREASED POLICY LIMITS FOR TREES, DEBRIS REMOVAL AND	
PERSONAL PROPERTY AT OTHER RESIDENCES	
INCREASED POLICY LIMITS UP TO	
\$5,000 FOR THEFT, MISPLACEMENT OR LOSING OF JEWELRY, FURS,	
SILVERWARE, GUNS AND TRADING CARDS	
\$750 FOR MONEY	
\$2,500 FOR EVIDENCE OF DEBT	
\$500 FOR THEFT OF MEDIA FROM A MOTOR VEHICLE	
\$1,000 FOR LOCK REPLACEMENT	
\$2,500 FOR TRAILERS	
\$2,500 FOR WATERCRAFT	
\$1,000 FOR ANIMALS	
\$1,000 FOR AUTOMATIC GARAGE DOOR MALFUNCTION	
\$ 10,000 FOR LOSS ASSESSMENT	
\$ 5,000 FOR BUSINESS PERSONAL PROPERTY	
\$ 40,000 FOR ORDINANCE OR LAW	
24 MONTHS FOR LOSS OF USE	

ENDORSEMENT 0M

IT IS AGREED THAT THE PRIMARY RESIDENCE MORTGAGEE IS AMENDED TO READ -
RENASANT BANK ITS SUCCESSORS AND/OR ASSIGNS
AS ITERESTS MAY APPEAR



ErieSecure HomeSM Insurance Policy



WHERE TO LOOK IN YOUR POLICY

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THANK YOU

for choosing Erie Insurance for your home insurance needs. This policy contains many Xtra Protection Features. Wherever an "X" appears in the margin of this policy, you receive Xtra Protection that is not included in most other homeowners policies. The protection given by this policy is in keeping with the single purpose of our Founders which is "To provide YOU with as near PERFECT PROTECTION, as near PERFECT SERVICE, as is humanly possible, and to do so at the LOWEST POSSIBLE COST."

AGREEMENT

In return for **"your"** timely premium payment and **"your"** compliance with all of the provisions of this policy, **"we"** agree to provide the coverages **"you"** have purchased. **"Your"** coverages and amounts of insurance are shown on the **"Declarations,"** which are part of this policy.

This agreement is made in reliance on the information **"you"** have given **"us,"** and is subject to all the terms of this policy.

This policy, with coverage agreements, limitations, exclusions and conditions, the **"Declarations"** and applicable endorsements and waivers, constitute the entire agreement between **"you"** and **"us."**

GENERAL POLICY DEFINITIONS

Throughout this policy and its endorsements, the following words and phrases have a special meaning when they appear in bold type and quotations.

- **"Aircraft"** means any machine or device capable of atmospheric flight except model airplanes.
- **"Anyone we protect"** means **"you"** and the following **"residents"** of **"your"** household:
 1. relatives and wards; and
 2. other persons in the care of **"anyone we protect."**

Under PROPERTY PROTECTION—SECTION I, OUR PROMISE—Personal Property Coverage, OUR PROMISE—Loss Of Use Coverage, ADDITIONAL PAYMENTS (but only for Personal Property Coverage and Loss Of Use Coverage) and HOME AND FAMILY LIABILITY PROTECTION—SECTION II, **"anyone we protect"** also means:

3. a Domestic Partner named on the **"Declarations."**

Under HOME AND FAMILY LIABILITY PROTECTION—SECTION II, **"anyone we protect"** also means:

4. any person or organization legally responsible for animals or watercraft which are owned by **"you,"** or any person included in Item 1. or 2., and covered by this policy. Any person or organization using or having custody of these animals or watercraft in the course of any **"business,"** or without permission of the owner is not **"anyone we protect;"**
5. any person with respect to any vehicle covered by this policy. Any person using or having custody of this vehicle in the course of any **"business"** use, or without permission of the owner is not **"anyone we protect."**

- **"Bodily injury"** means physical harm, sickness or disease, including mental anguish or resulting death, but does not include:

1. any communicable disease or condition transmitted by **"anyone we protect"** to any other person through a parasite, virus, bacteria or any other organism.
2. the exposure to or transmission of any disease, parasite, virus, bacteria or other organism by **"anyone we protect"** to any other person.

- **"Business"** means any full-time, part-time or occasional activity engaged in as a trade, profession or occupation, including farming.
- **"Declarations"** means **"our"** form which shows **"your"** coverages, amounts of insurance, premium charges and other information.

This form is part of this policy. **"Declarations"** include forms titled Amended Declarations, Revised Declarations, Duplicate Declarations, New Declarations, Reinstatement of Coverage or Continuation Notice.

- **"Fungi"** means any type or form of fungus, including but not limited to molds, mildews, smuts, mushrooms, yeasts and any mycotoxins, spores, scents, vapors, gases or byproducts produced by, arising out of or released by any type or form of fungus.

Under HOME AND FAMILY LIABILITY PROTECTION—SECTION II, **"fungi"** does not include any type or form of **"fungi"** that are, are on, or are contained in any good or product intended for consumption.

- **"Insured location"** means:
 1. the **"residence premises;"**
 2. the part of any other premises, other structures, and grounds acquired by **"you"** during the policy period which **"you"** intend to use as a **"residence premises;"**
 3. any premises used by **"anyone we protect"** in connection with premises included in Item 1. or 2.;
 4. any part of a nonowned premises:
 - a. where **"anyone we protect"** is temporarily residing; or
 - b. occasionally rented to **"anyone we protect"** for purposes not related to any **"business;"**
 5. vacant land, other than farmland, owned by or rented to **"anyone we protect;"**
 6. land owned by or rented to **"anyone we protect"** on which a one or two family residence is being built for occupancy by **"anyone we protect;"** and
 7. cemetery plots or burial vaults of **"anyone we protect."**

- **"Medical expense"** means reasonable charges for necessary medical, surgical, x-ray and dental services, including prosthetic devices, eyeglasses, contacts, hearing aids and pharmaceuticals; and also includes ambulance, hospital, licensed nursing and funeral services.

- **"Occurrence"** means an accident, including continuous or repeated exposure to the same general harmful conditions.

- **"Personal injury"** means injury arising out of:
 1. libel, slander or defamation of character;

2. false arrest, wrongful detention or imprisonment, malicious prosecution;
 3. racial or religious discrimination;
 4. wrongful entry or eviction, invasion of privacy; or
 5. humiliation caused by any of these.
- **"Property damage"** means:
 1. physical injury to or destruction of tangible property, including loss of its use. All such loss of use will be deemed to occur at the time of the physical injury that caused it; and
 2. loss of use of tangible property which is not physically injured or destroyed. All such loss of use will be deemed to occur at the time of the **"occurrence."**
 - **"Replacement cost"** means:
 1. in the case of loss or damage to buildings, the cost at the time of loss to repair or replace the damaged property with new materials of like kind and quality for the same use at the described location.
 2. in the case of loss or damage to personal property, the cost at the time of loss of a new article identical to the one damaged, destroyed or stolen. If the identical article is no longer manufactured or is not available, **"replacement cost"** means the cost of a new article similar to that damaged, destroyed or stolen and which is of comparable quality and usefulness.
 - **"Residence employee"** means an employee of **"anyone we protect"** who performs duties in connection with the maintenance or use of the **"residence premises,"** including similar duties elsewhere, not in connection with the **"business"** of **"anyone we protect."**
 - **"Residence premises"** means the dwelling where **"you"** reside, including the structures and grounds, or that part of any other building where **"you"** reside and which is shown as **"residence premises"** on the **"Declarations."**
 - **"Resident"** means a person who physically lives with **"you"** in **"your"** household. **"Your"** unmarried, unemancipated children under age 24 attending school full-time and living away from home will be considered **"residents"** of **"your"** household.
 - **"We," "us" or "our"** means the Erie Insurance Company.
 - **"You," "your" or "Named Insured"** means the person(s) named on the **"Declarations"** under **"Named Insured."** Except in the RIGHTS AND DUTIES—GENERAL POLICY CONDITIONS Section, these words include the spouse of the person(s) named in Item 1. on the **"Declarations"** provided the spouse is a **"resident."**

PROPERTY PROTECTION—SECTION I

OUR PROMISE—Dwelling Coverage

"We" will pay for loss to:

1. **"your"** dwelling at the **"residence premises"** shown on the **"Declarations."** Dwelling includes attached structures, building equipment, fixtures, including solar panels and windmills servicing the premises.
2. construction material at the **"residence premises"** for use in connection with **"your"** dwelling.

This coverage does not apply to land and water, including natural water, above or below the surface of the ground.

OUR PROMISE—Other Structures Coverage

"We" will pay for loss to:

1. other structures at the **"residence premises"** separated from the dwelling, including garages, fences, shelters, tool sheds or carports.
Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.
2. construction material at the **"residence premises"** for use in connection with **"your"** other structures.

"We" do not pay for loss to structures:

1. used in whole or in part for **"business"** purposes (except rental or holding for rental of structures used for private garage purposes); or
2. used to store **"business"** property. However, if the **"business"** property is solely owned by **"anyone we protect,"** **"we"** do provide coverage for the structure. The **"business"** property may not include gaseous or liquid fuel, unless the fuel is in a fuel tank that is permanently installed in a vehicle or craft which is parked or stored in the structure.

This coverage does not apply to land and water, including natural water, above or below the surface of the ground.

OUR PROMISE—Personal Property Coverage

"We" will pay for loss to:

1. personal property owned or used by **"anyone we protect"** anywhere in the world.
2. at **"your"** option, personal property owned by others while the property is on **"your"** **"residence premises."**
3. at **"your"** option, personal property of:
 - a. guests and **"residence employees"** while the property is in a residence occupied by **"anyone we protect;"** and
 - b. **"residence employees"** away from the **"residence premises"** while actually engaged in the service of **"anyone we protect."**

- X 4. at "your" option, building additions, alterations, fixtures, improvements or installations made, or acquired at "your" expense, by "you" to residences occupied by, but not owned by "you" for an amount not exceeding 10% of the amount of insurance under this coverage. Payment will not increase the applicable amount of insurance under this policy.
5. cemetery property, including monuments, headstones, gravemarkers, and urns in which "anyone we protect" has an ownership interest.

- X 6. animals, birds and fish, but only while on the "residence premises," for the following perils to the extent covered under PERILS WE INSURE AGAINST:

- fire or lightning;
- windstorm or hail;
- explosion or sonic boom;
- riot or civil commotion;
- "aircraft" or vehicles;
- smoke; or
- vandalism or malicious mischief.

7. electronic apparatus and equipment:

- X a. while in or upon a motor vehicle or other motorized land conveyance; and
- b. if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes cellular phones, fax machines, radios, tape and disc players, and similar equipment or devices for the recording, reproduction, receiving, or transmitting of sound or pictures. Electronic apparatus also includes accessories used in conjunction with such apparatus, including antennas, tapes, wires, records, discs or other media.

When there is loss of tapes, compact discs or similar media by theft from a motor vehicle or other motorized land conveyance, "we" will pay up to \$150 for the tapes, compact discs or similar media.

8. personal property usually situated at any residence owned or occupied by "anyone we protect" other than a "residence premises."
9. personal property of a student "we" protect while at a residence away from home. This coverage is not subject to the 10% of Personal Property Coverage under SPECIAL LIMITS—Personal Property Coverage.

"We" do not pay for loss to:

- land motor vehicles and parts. "We" do cover vehicles not subject to motor vehicle registration which are:
 - designed to assist the handicapped;
 - used solely to service the "residence premises;" or
 - low-power recreational land motor vehicles not designed for use on public roads, but only if they are not built,

customized or altered to surpass a speed of 10 miles per hour and are not a motorized bicycle, moped, skateboard, scooter or motor bike.

- "aircraft" and parts.
- electronic apparatus and equipment which is solely powered from the electrical system of motor vehicles or any other motorized land conveyances.
- property rented or held for rental to others away from the "residence premises."
- property of roomers, boarders or tenants not related to "anyone we protect."
- any of the following:
 - books of account, drawings, or other paper records containing "business" data; or
 - electronic data processing tapes, wires, records, discs, or other software media containing "business" data. This includes "business" data stored in computers and related equipment.

However, "we" do cover the cost of unexposed or blank records or media.

- radar detectors.
- property specifically insured by this or any other insurance.
- except as provided under SPECIAL LIMITS—Personal Property Coverage, property pertaining to a "business" conducted away from the "residence premises," unless at the time of loss such property is on the "residence premises." However, "we" do not cover such property on the "residence premises" while it is stored, held as samples, or held for sale or delivery after sale.
- land and water, including natural water, above or below the surface of the ground.

SPECIAL LIMITS—Personal Property Coverage

Limitations apply to the following personal property. These limits do not increase the amount of insurance under Personal Property Coverage:

Total Amount Of Insurance In Any One Loss	Description Of Personal Property Subject To Limitations	
\$500	Animals, birds and fish	
\$500	Money, travelers checks, stored value cards, bank notes, bullion, numismatic property, gold other than goldware or gold-plated ware, silver other than silverware or silver-plated ware, platinum other than platinumware or platinum-plated ware	X

\$1,000	Theft, misplacing or losing of trading cards, including sports cards
X \$2,000	Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, stamps and philatelic property
X \$2,000	Trailers and campers not otherwise insured, whether licensed or not
X \$2,000	Watercraft, including their trailers, whether licensed or not, furnishings, equipment and outboard motors
X \$2,000	Manuscripts
X \$3,000	Theft, misplacing or losing of guns and related equipment
X \$3,000	Theft, misplacing or losing of jewelry, watches, precious and semi-precious stones
\$3,000	Theft, misplacing or losing of furs
X \$3,000	Theft, misplacing or losing of silverware, silver-plated ware, goldware, gold-plated ware, pewterware, platinumware and platinum-plated ware
\$2,500	Property on the "residence premises" used primarily for "business" purposes conducted on the "residence premises," including property in storage, held as samples, or held for sale or delivery after sale
\$500	Property away from the "residence premises," used primarily for "business" purposes regardless of whether the "business" is conducted on or away from the "residence premises"
X 10% of Personal Property Coverage (but not less than \$2,000)	Personal property usually situated at any residence owned or occupied by "anyone we protect" other than a "residence premises." Personal property in a newly-acquired principal residence is not subject to this limitation for the 30 days immediately after "you" begin to move property there.

OUR PROMISE—Loss Of Use Coverage

No Deductible Applies

These coverages are not limited by the expiration of this policy. Coverage also applies to loss at a covered secondary location. "We" will not pay for loss or expense due to the cancellation of any lease or agreement.

This coverage does not apply to loss caused by "fungi," wet or dry rot or bacteria other than as provided under ADDITIONAL PAYMENTS, Fungi, Wet Or Dry Rot Or Bacteria Coverage.

Additional Living Expenses

If an insured property loss covered under PROPERTY PROTECTION—SECTION I, OUR PROMISE—Dwelling Coverage, OUR PROMISE—Other Structures Coverage or OUR PROMISE—Personal Property Coverage, makes "your" "residence premises" uninhabitable, "we" will pay all reasonable additional living expenses while "you" and members of "your" household reside elsewhere.

Payment will be for the shortest time required to repair or replace the premises or, if "you" choose, for "you" to permanently relocate. These payments will not exceed a 12 month period.

Fair Rental Value

"We" will also pay for "your" loss of normal rents resulting from the loss, less charges and expenses which do not continue while the rented part of the "residence premises" is uninhabitable. "We" will pay this loss of normal rents only until the rented part is habitable. These payments will not exceed a 12 month period.

Civil Authority

If a loss from a peril covered under PERILS WE INSURE AGAINST occurs at a neighboring premises, "we" will pay additional living expenses and loss of normal rents for up to two weeks should civil authorities prohibit "you" from occupying "your" premises.

PERILS WE INSURE AGAINST—Dwelling And Other Structures Coverages

"We" pay for direct physical loss to property insured under the Dwelling And Other Structures Coverages, unless the loss is excluded elsewhere under this policy.

EXCLUSIONS—What We Do Not Cover—Dwelling And Other Structures Coverages

"We" do not pay for loss resulting directly or indirectly from any of the following, even if other events or happenings contributed concurrently, or in sequence, to the loss:

1. by collapse, other than as provided in ADDITIONAL PAYMENTS, Collapse.
2. caused by freezing by temperature reduction of a plumbing, heating, air conditioning, gutters and drain spouts, or fire protective system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, while the dwelling is vacant, unoccupied or being constructed.

There is coverage if "you" have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system or appliances of water.

3. by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, deck, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.
4. caused by constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning, or fire protective system, or a household appliance.

However, there is coverage if the loss is sudden and accidental.

5. caused by:
 - a. termites, vermin, insects, rodents, birds (except glass breakage), skunks, raccoons, spiders, reptiles or bats;
 - b. mechanical breakdown, deterioration, wear and tear, marring, inherent vice, latent defect, tree roots, rust or smog;
 - c. the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - d. smoke, unless the loss is sudden and accidental. Smoke from agricultural smudging or industrial operations is not covered even if the loss is sudden and accidental; or
 - e. bulging, cracking, expansion, settling or shrinking in ceilings, foundations, floors, patios, decks, pavements, roofs or walls.

X If Items a. through e. cause water damage not otherwise excluded, from a plumbing, heating, air conditioning, or fire protective system, household appliance, waterbed or aquarium, "we" cover loss caused by the water. Coverage includes the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. This does not include loss to the defective system or appliance (other than a waterbed or aquarium) from which the water escaped.

6. caused by animals or birds kept by "anyone we protect" or kept by a "residence employee" of "anyone we protect."
7. by theft of property from within a dwelling under construction unless that property has become a part of the building, or of materials and supplies for use in the construction until the dwelling is completed and occupied.

Under Exclusions 1. through 7. any ensuing loss not excluded is covered.

8. by earth movement, due to natural or manmade events, meaning earthquake, including land shock waves, or tremors before, during, or after a volcanic eruption, mine subsidence, sinkhole, landslide, mudslide, mud flow, earth sinking, rising, or shifting. Coverage is provided for direct loss caused by fire, explosion, theft or breakage of glass resulting from earth movement, mine subsidence, sinkhole, landslide, mudslide, mud flow, or earth sinking, rising or shifting.

9. by water damage, meaning:

- a. flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge or overflow of a body of water. "We" do not cover spray from any of these, whether or not driven by wind;
- b. water or sewage which backs up through sewers or drains or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area.

This exclusion does not apply if Sewers Or Drains Backup Coverage is shown on the "Declarations." However, the amount shown on the "Declarations" is the maximum amount "we" will pay for any one direct loss caused by water or sewage which backs up through sewers or drains, or which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area;

- c. water below the surface of the ground. This includes water which exerts pressure on, or flows, seeps or leaks through any part of a building or other structure, including sidewalks, driveways, foundations, pavements, patios, swimming pools or decks; or
- d. waterborne material carried or otherwise moved by any of the water referred to in this exclusion.

This exclusion applies, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

"We" do pay for direct loss that follows, caused by fire, explosion, sonic boom or theft.

10. by power interruption if the interruption originates away from the "residence premises." If a covered loss ensues on the "residence premises" as a result of a power interruption originating off premises, "we" will pay for the covered ensuing loss on premises. X
11. by war, whether declared or undeclared, discharge of a nuclear weapon (even if accidental), hostile or warlike action in time of peace or war, insurrection, rebellion, revolution, civil war, usurped power, including action taken by governmental authority in defending against such an "occurrence."
12. by nuclear action or radiation or radioactive contamination, however caused. Nuclear action includes nuclear reaction, discharge, radiation or radioactive contamination, whether manmade or occurring naturally.

Loss caused by nuclear action is not considered loss by fire, explosion, sonic boom or smoke. If loss by fire results, "we" will pay for that resulting loss.

13. by radon gas contamination.

14. by the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, unless specifically provided under this policy. "We" do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by a peril covered under PERILS WE INSURE AGAINST.
15. by neglect of "anyone we protect" to use all reasonable means to protect covered property at and after the time of loss or when property is threatened by a peril covered under PERILS WE INSURE AGAINST.
16. by intentional loss, meaning any loss arising from an act committed by or at the direction of "anyone we protect" or any additional insured listed on the "Declarations" with the intent to cause a loss.
17. by acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
18. by the destruction, confiscation or seizure of property by order of any governmental or civil authority. "We" do cover loss caused by actions of governmental or civil authorities to prevent the spread of a fire caused by a peril covered under PERILS WE INSURE AGAINST.
19. by the inability to correctly process, recognize, distinguish, interpret or accept any date or time for loss or damage to electronic data processing equipment, computer networks, computer hardware (including microprocessors either as part of a computer system or operating outside of a system), computer programs, software, media or data.
 "We" will not pay for:
 - a. any repair, restoration, replacement or modification to correct any deficiencies or change any features or functions; or
 - b. loss or damage, regardless of when the electronic data processing equipment, computer hardware, computer programs, software, media or data were purchased, obtained or installed.
20. by weather conditions if any peril excluded by this policy contributes to the loss in any way.
21. caused by, resulting from, contributed to or aggravated by faulty or inadequate:
 - a. planning, zoning, development;
 - b. design, development of specifications, workmanship; construction,
 - c. materials used in construction; or
 - d. maintenance
 of or related to property whether on or off the "residence premises" by any person, group, organization or governmental body.
22. by color mismatch because of weathering, fading, oxidizing, or wear and tear between the existing undamaged roof and/or siding on the dwelling and/or structure and new materials used to repair or replace the damaged roof and/or siding on the dwelling and/or structure.

23. by mismatch because materials are unavailable, obsolete, or discontinued between the existing undamaged roof and/or siding on the dwelling and/or structure and new material used to repair or replace the damaged roof and/or siding on the dwelling and/or structure.

24. by "fungi," wet or dry rot or bacteria, meaning the presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, or bacteria other than as provided under ADDITIONAL PAYMENTS, Fungi, Wet Or Dry Rot Or Bacteria Coverage.

PERILS WE INSURE AGAINST—Personal Property Coverage

"We" pay for direct physical loss to property insured under the Personal Property Coverage, unless the loss is excluded elsewhere under this policy. X

EXCLUSIONS—What We Do Not Cover—Personal Property Coverage

"We" do not pay for loss resulting directly or indirectly from any of the following, even if other events or happenings contributed concurrently, or in sequence, to the loss:

1. by collapse, other than as provided in ADDITIONAL PAYMENTS, Collapse.
2. caused by freezing by temperature reduction of a plumbing, heating, air conditioning, gutters and drain spouts, or fire protective system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, while the dwelling is vacant, unoccupied or being constructed.

There is coverage if "you" have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system or appliances of water.
3. by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, deck, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.
4. caused by constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning, or fire protective system, or a household appliance.

However, there is coverage if the loss is sudden and accidental.

5. caused by:
 - a. termites, vermin, insects, rodents, birds (except glass breakage), skunks, raccoons, spiders, reptiles or bats;
 - b. mechanical breakdown, deterioration, wear and tear, marring, inherent vice, latent defect, tree roots, rust, or smog;

- c. the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- d. smoke, unless the loss is sudden and accidental. Smoke from agricultural smudging or industrial operations is not covered even if the loss is sudden and accidental; or
- e. bulging, cracking, expansion, settling or shrinking in ceilings, foundations, floors, patios, decks, pavements, roofs or walls.

X If Items a. through e. cause water damage not otherwise excluded, from a plumbing, heating, air conditioning, or fire protective system, household appliance, waterbed or aquarium, "we" cover loss caused by the water. Coverage includes the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. This does not include loss to the defective system or appliance (other than a waterbed or aquarium) from which the water escaped.

- 6. caused by animals or birds kept by "anyone we protect" or kept by a "residence employee" of "anyone we protect."
- 7. by theft of property from within a dwelling under construction unless that property has become a part of the building, or of materials and supplies for use in the construction until the dwelling is completed and occupied.

Under Exclusions 1. through 7. any ensuing loss not excluded is covered.

- 8. by earth movement, due to natural or manmade events, meaning earthquake, including land shock waves, or tremors before, during, or after a volcanic eruption, mine subsidence, sinkhole, landslide, mudslide, mud flow, earth sinking, rising or shifting. Coverage is provided for direct loss caused by fire, explosion, theft or breakage of glass resulting from earth movement, mine subsidence, sinkhole, landslide, mudslide, mud flow, or earth sinking, rising or shifting.
- 9. by water damage, meaning:
 - a. flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge or overflow of a body of water. "We" do not cover spray from any of these, whether or not driven by wind;
 - b. water or sewage which backs up through sewers or drains or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area.

This exclusion does not apply if Sewers Or Drains Backup Coverage is shown on the "Declarations." However, the amount shown on the "Declarations" is the maximum amount "we" will pay for any one direct loss caused by water or sewage which backs up through sewers or drains, or which enters into and overflows from within a sump

pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area;

- c. water below the surface of the ground. This includes water which exerts pressure on, or flows, seeps or leaks through any part of a building or other structure, including sidewalks, driveways, foundations, pavements, patios, swimming pools or decks; or
- d. waterborne material carried or otherwise moved by any of the water referred to in this exclusion.

This exclusion applies, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

"We" do pay for direct loss that follows, caused by fire, explosion, sonic boom or theft.

- 10. by power interruption if the interruption originates away from the "residence premises." If a covered loss ensues on the "residence premises" as a result of a power interruption originating off premises, "we" will pay for the covered ensuing loss on premises. This exclusion does not apply to loss to the contents of refrigerator or freezer units on the "residence premises" (other than contents used for "business" purposes) resulting from either power or mechanical failure. X
- 11. by war, whether declared or undeclared, discharge of a nuclear weapon (even if accidental), hostile or warlike action in time of peace or war, insurrection, rebellion, revolution, civil war, usurped power, including action taken by governmental authority in defending against such an "occurrence." X
- 12. by nuclear action or radiation or radioactive contamination, however caused. Nuclear action includes nuclear reaction, discharge, radiation or radioactive contamination, whether manmade or occurring naturally.
Loss caused by nuclear action is not considered loss by fire, explosion, or smoke.
If loss by fire results, "we" will pay for that resulting loss.
- 13. by radon gas contamination.
- 14. by the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, unless specifically provided under this policy. "We" do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by a peril covered under PERILS WE INSURE AGAINST.
- 15. by neglect of "anyone we protect" to use all reasonable means to protect covered property at and after the time of loss or when property is threatened by a peril covered under PERILS WE INSURE AGAINST.
- 16. by intentional loss, meaning any loss arising from an act committed by or at the direction of "anyone we protect" or any additional insured listed on the "Declarations" with the intent to cause a loss.

17. by acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
18. by the destruction, confiscation or seizure of property by order of any governmental or civil authority. "We" do cover loss caused by actions of governmental or civil authorities to prevent the spread of a fire caused by a peril covered under PERILS WE INSURE AGAINST.
19. by the inability to correctly process, recognize, distinguish, interpret or accept any date or time for loss or damage to electronic data processing equipment, computer networks, computer hardware (including microprocessors either as part of a computer system or operating outside of a system), computer programs, software, media or data.
 "We" will not pay for:
 - a. any repair, restoration, replacement or modification to correct any deficiencies or change any features or functions; or
 - b. loss or damage, regardless of when the electronic data processing equipment, computer hardware, computer programs, software, media or data were purchased, obtained or installed.
20. caused by, resulting from, contributed to or aggravated by faulty or inadequate:
 - a. planning, zoning, development;
 - b. design, development of specifications, workmanship, construction;
 - c. materials used in construction; or
 - d. maintenance
 of or related to property whether on or off the "residence premises" by any person, group, organization or governmental body.
21. caused solely by breakage of eyeglasses, glassware, statuary, marble, bronzes, bric-a-brac, porcelains, jewelry, watches, cameras, photographic lenses and similar fragile articles. There is coverage for breakage of the property by or resulting from fire, lightning, windstorm, hail, explosion, sonic boom, riot or civil commotion, "aircraft," vehicles, smoke (unless caused by agricultural smudging or industrial operations), vandalism or malicious mischief, theft including attempted theft, water unless otherwise excluded, and sudden and accidental tearing apart, cracking, burning or bulging of a steam, hot water or air conditioning system.
22. by dampness of atmosphere or extremes of temperature unless the loss is directly caused by rain, snow, sleet or hail.
23. by damage to property (other than jewelry, watches and furs) being refinished, renovated or repaired.
24. by collision (other than collision with a vehicle), sinking, swamping or stranding of watercraft including their trailers, furnishings, equipment and outboard motors.
25. by theft while at another dwelling or adjacent structures owned by, rented to, or occupied by "anyone we protect" unless "anyone we protect" is temporarily residing there.

This exclusion does not apply to property of a student "we" protect while at a residence away from home.

26. by "fungi," wet or dry rot or bacteria, meaning the presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot or bacteria other than as provided under ADDITIONAL PAYMENTS, Fungi, Wet Or Dry Rot Or Bacteria Coverage.

ADDITIONAL PAYMENTS

Automatic Garage Door Opener

"We" will pay up to \$500 for loss to personal property, including the garage door, at the "residence premises" resulting from the use or malfunction of an automatic garage door opener. X

Collapse

"We" will pay for direct physical loss to insured property caused by collapse of a building or any part of a building. Collapse means the sudden caving in or falling down of a building or part of a building. Collapse of a building, or part of a building must result in the inability of that property to be used for its current intended purpose.

Collapse does not include a building or part of a building that is in danger of collapsing; a building or part of a building that is standing even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, expansions; or part of a building still standing but is no longer attached to another part of the building.

"We" will pay for loss to insured property involving collapse of a building or any part of a building caused by one or more of the following:

1. fire or lightning, windstorm or hail, explosion, sonic boom, riot or civil commotion, "aircraft," vehicles, vandalism or malicious mischief, breakage of glass, falling objects, or weight of ice, snow or sleet;
2. hidden decay, or hidden insect or vermin damage not known to "anyone we protect" prior to the collapse;
3. weight of people, animals, contents or equipment;
4. weight of rain which collects on a roof; or
5. use of defective materials or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

"We" will not be liable for loss under Item 2., 3., 4. or 5. above to the following property unless the loss is a direct result of the collapse of a building or any part of a building:

- cloth awnings;
- fences;
- pavements, patios;
- swimming pools, decks;
- underground pipes, flues, drains;

X

- cesspools, septic tanks;
- foundations, retaining walls; or
- bulkheads, piers, wharves or docks.

Payment will not increase the amount of insurance applying to the loss.

Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery Or Counterfeit Money Protection

No Deductible Applies

- X "We" will pay up to \$2,500 for the legal obligation of "anyone we protect" to pay because of theft, forgery or unauthorized use of any credit or electronic fund transfer card or access device, check or negotiable instrument issued to or registered in the name of "anyone we protect." "We" will also pay for loss each time "anyone we protect" unknowingly accepts counterfeit money. "We" require evidence of loss.

"We" will not pay for loss arising from any "business" operated by "you" or loss caused by "anyone we protect."

When loss is discovered, "anyone we protect" must give "us" immediate notice. If the loss involves a credit or electronic fund transfer card or access device, "anyone we protect" must also give immediate notice to the issuer of the card or access device. Failure to comply with the terms and conditions of the card or access device voids this protection.

- X If a loss occurring during the policy period is discovered within one year after the policy has been cancelled, "we" will pay for the loss. If a prior loss is discovered during the policy period and no other insurance applies, "we" will pay for the loss. "We" have the right to investigate and settle any claim or suit before making payment. Full payment of the amount of insurance ends "our" obligation under each claim or suit.

Repeated losses caused by or involving one person are to be considered one loss.

If a claim is made or suit is brought against "anyone we protect" for liability under the Credit Card, Electronic Fund Transfer Card Or Access Device Protection, "we" will provide a defense. The defense will be at "our" expense, with a lawyer "we" choose.

"We" have the option under Forgery Protection to defend at "our" expense "anyone we protect" or their bank against a suit for the enforcement of payment.

Debris Removal After Loss

"We" will pay the expense for removal of:

1. debris of covered property following loss under PERILS WE INSURE AGAINST;
2. ash, dust or particles from volcanic eruption that has caused direct loss to a building or property within a building; or
3. fallen trees which cause damage to covered property, provided coverage is not afforded elsewhere by this policy.

If the amount of insurance applying to the loss is exhausted, "we" will pay up to an additional 5% of the amount of insurance applying to the damaged property for removal of debris.

"We" will also pay up to \$1,000 per "occurrence" with a limit of \$500 per tree for the removal of fallen trees on the "residence premises" if loss is caused by windstorm, hail or weight of ice, snow or sleet even when covered property is not damaged.

Emergency Removal Of Property

"We" will pay for property damaged in any way while removed from "your" "residence premises" because of danger from an insured peril. Coverage is limited to a 30-day period from date of removal. Payment will not increase the amount of insurance applying to the loss.

Fire Department Service Charges

No Deductible Applies

"We" will pay all reasonable fire department service charges to save or protect insured property. Payment is in addition to the amount of insurance applying to the loss. X

Fire Extinguisher Recharge

No Deductible Applies

"We" will pay expenses incurred to recharge portable fire extinguishers after they are used to fight a fire. X

Fungi, Wet Or Dry Rot Or Bacteria Coverage

"We" will pay up to a total of \$10,000 for:

1. direct physical loss to property covered under PROPERTY PROTECTION—SECTION I, OUR PROMISE—Dwelling Coverage, OUR PROMISE—Other Structures Coverage and OUR PROMISE—Personal Property Coverage, caused by, resulting from, or consisting of "fungi," wet or dry rot or bacteria if the direct result of a PERIL WE INSURE AGAINST; and
2. necessary increase in costs which "you" incur to maintain "your" normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungi," wet or dry rot or bacteria which is the direct result of a PERIL WE INSURE AGAINST.

The \$10,000 limit is the most "we" will pay for Items 1. and 2. above.

The coverage provided above is the only coverage under PROPERTY PROTECTION—SECTION I, OUR PROMISE—Dwelling Coverage, OUR PROMISE—Other Structures Coverage, OUR PROMISE—Personal Property Coverage and OUR PROMISE—Loss Of Use Coverage for damage or loss caused by, resulting from, or consisting of "fungi," wet or dry rot or bacteria caused directly or indirectly regardless of any other cause or event contributing concurrently or in any sequence.

The \$10,000 limit is the most "we" will pay for the cost:

- a. to remove "fungi," wet or dry rot or bacteria from covered property;
- b. to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi," wet or dry rot or bacteria; and
- c. of any testing of air or property to confirm the absence, presence or level of "fungi," wet or dry rot or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe there is a presence of "fungi," wet or dry rot or bacteria.

The coverage provided above applies only when such loss or costs are the result of a PERIL WE INSURE AGAINST which occurs during the policy period and only if all reasonable means were used to save and protect the property from further damage at or after the time of the "occurrence" of the PERIL WE INSURE AGAINST.

If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi," wet or dry rot or bacteria, loss payment will not be limited by the terms of this ADDITIONAL PAYMENT, except to the extent that "fungi," wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this ADDITIONAL PAYMENT.

This is additional insurance and is the most "we" will pay for the total of all loss or costs payable under this ADDITIONAL PAYMENT regardless of the number of locations insured under this coverage or the number of claims made.

Lock Replacement After Loss

No Deductible Applies

- X At "your" request, "we" will pay up to \$250 to replace keys and locks to the exterior doors of the "residence premises," as well as keys and locks to "your" other property (autos, boats, etc.), if the keys are stolen during a theft loss. This coverage does not apply to keys and locks pertaining to "business" property.

- X "We" will pay for replacement of automatic garage door transmitters when a transmitter has been stolen. Coverage is also provided for the cost to reprogram the frequency on additional transmitters and/or the control unit box.

Loss Assessment

"We" will reimburse "you" for an assessment charged against "you" as owner or tenant of the "residence premises" by an association or corporation of property owners, minus any other valid and collectible insurance available to the association or corporation covering the same assessment. Under PROPERTY PROTECTION—SECTION I, the assessment must result from a direct loss to property, owned by all the property owners collectively, caused by any of the PERILS WE INSURE AGAINST.

The most "we" will pay for any one assessment arising out of a single "occurrence" or covered peril, whether under PROPERTY PROTECTION—SECTION I, HOME AND FAMILY LIABILITY PROTECTION—SECTION II, or both, is \$5,000 or the amount shown on the "Declarations."

X

If "you" are assessed for a covered water loss, "we" will pay "your" share of the cost of tearing out and replacing any part of an "insured location" necessary to repair the system or appliance.

The policy deductible applies to each dwelling under PROPERTY PROTECTION—SECTION I only.

"We" will not pay if the loss is caused by earthquake or land shock waves or tremors which occur before, during or after a volcanic eruption.

"We" also will not pay for any loss assessments charged by a governmental body.

Mechanical Servant And Robot Protection

"We" will pay up to \$500 for loss to personal property at the "residence premises" caused by malfunction of a mechanical servant or robot.

X

Nonowned Residences

"We" will pay up to \$1,000 for loss by theft, vandalism or malicious mischief to residences occupied by, but not owned by "anyone we protect."

X

Ordinance Or Law Coverage

If a loss by a PERIL WE INSURE AGAINST occurs to covered property, or the building containing the covered property, "we" will pay for the increased costs incurred due to the enforcement of any ordinance or law that is in force at the time of the loss up to an additional \$20,000.

"You" may use this coverage for:

1. the construction, demolition, renovation or repair of the portion of the building damaged by a PERIL WE INSURE AGAINST;
2. the demolition and reconstruction of the undamaged portion of the building if the entire building must be demolished because of damage by a PERIL WE INSURE AGAINST;
3. the removal or replacement of the undamaged portion of the building because of the repair or replacement of the portion of the building damaged by a PERIL WE INSURE AGAINST; or
4. the removal of debris resulting from the construction, demolition, renovation, repair or replacement of Item 1., 2. or 3.

Ordinance Or Law Coverage does not include coverage for:

1. loss in value to any covered building due to the requirements of any ordinance or law; or

2. the cost to comply with any ordinance or law requiring the testing, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, responding to or assessing the effects of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant in or on any covered building.

Temporary Repairs After Loss

"We" will pay for reasonable and necessary expenses for temporary repairs to protect covered property from further damage after loss by a peril covered under PERILS WE INSURE AGAINST. Payment will not increase the amount of insurance applying to the loss.

Trees, Shrubs, Plants And Lawns

"We" will pay up to an additional 5% of the amount of insurance under Dwelling Coverage for loss to trees, shrubs, plants and lawns at the "residence premises."

Coverage applies only to loss caused by the following perils covered under PERILS WE INSURE AGAINST:

1. fire or lightning;
2. explosion or sonic boom;
3. riot or civil commotion;
4. "aircraft" or vehicles;
- X 5. smoke; or
6. vandalism, malicious mischief or theft.

"We" will not pay for:

1. more than \$500 on any one tree, shrub or plant;
2. damage to lawns by vehicles owned or operated by a "resident" of the "residence premises;" or
3. trees, shrubs, plants or lawns grown for "business" purposes.

DEDUCTIBLE

- X "We" will pay for loss minus the deductible shown on the "Declarations." Unless otherwise provided in an endorsement, in the event of total loss to the dwelling from a covered peril, the deductible will not apply.

RIGHTS AND DUTIES—CONDITIONS—SECTION I

ABANDONMENT OF PROPERTY

"We" are not required to accept abandoned property.

APPRAISAL

If "you" and "we" fail to agree on the amount of loss, on the written demand of either, each party will choose a competent, disinterested and impartial appraiser and notify the other of the

appraiser's identity within 20 days after the demand is received. The appraisers will select a competent, disinterested and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days after both appraisers have been identified, "you" or "we" can ask a judge of a court of record in the state where "your" "residence premises" is located to select an umpire.

The appraisers will then set the amount of loss. If the appraisers submit a written report of an agreement to "us," the amount agreed upon will be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other expenses of the appraisal. However, if the written demand for appraisal is made by "us," "we" will pay for the reasonable cost of "your" appraiser and "your" share of the cost of the umpire.

"We" will not be held to have waived any rights by any act relating to the appraisal.

This is not an agreement to arbitrate. The appraisers and umpire are only authorized to determine actual cash value or the cost to repair or replace damaged property. The appraisers and umpire are not authorized to determine if a loss is covered or excluded under the policy.

AUTOMATIC ADJUSTMENT OF COVERAGE AMOUNTS

This policy provides "you" with a guard against the effects of inflation in construction costs for "your" dwelling, other structures and personal property. X

Dwelling Coverage

The amount of insurance applying to the Dwelling is the "replacement cost" at the time of loss. "We" will adjust the premium for the next policy period to reflect any change in the "replacement cost." X

Notification Of Improvements To Dwelling

"You" must notify "us" or "our" Agent within 90 days of starting any improvements or additions which increase the "replacement cost" value of "your" Dwelling by \$5,000 or more and pay any additional premium due. "Your" premium may be adjusted during the current policy period to reflect the additional amount of insurance. If "you" do not notify "us," "we" do not cover loss to such improvements or changes.

Other Structures Coverage

The amount of insurance applying to Other Structures Coverage is the amount shown on the "Declarations." "We" will monitor changes to construction costs due to inflation and at the next policy period "we" will adjust the amount of "your" Other Structures Coverage if necessary. "Your" premium will be adjusted at each policy period to reflect any change.

During the policy period, if there is an increase in construction costs due to inflation and a loss occurs, "we" will reflect the increase in the amount of insurance before making payment. There will be no charge for this additional coverage.

If the amount of insurance shown on the "Declarations" for "your" Other Structures Coverage does not adequately cover the value of the property, any adjustments for inflation may not be sufficient to provide full recovery should a loss occur.

If for any reason other than inflation, the amount of insurance shown on the "Declarations" for Other Structures Coverage does not adequately cover the value of the property, the amount of insurance shown on the "Declarations" will be the full amount available should a loss occur.

Personal Property Coverage

The amount of insurance applying to Personal Property Coverage is the amount shown on the "Declarations." Adjustment in this amount will be made proportionately to the adjustment of Other Structures Coverage.

During the policy period, if there is an increase in costs due to inflation and a loss occurs, "we" will reflect the increase in the amount of insurance before making payment. There will be no charge for this additional coverage.

If the amount of insurance shown on the "Declarations" for "your" Personal Property Coverage does not adequately cover the value of the property, any adjustments for inflation may not be sufficient to provide full recovery should a loss occur.

If for any reason other than inflation, the amount of insurance shown on the "Declarations" for Personal Property Coverage does not adequately cover the value of the property, the amount of insurance shown on the "Declarations" will be the full amount available should a loss occur.

ERIE OPTION

If "we" give "you" written notice within 30 days after "we" receive "your" signed, sworn statement of loss, "we" may repair or replace any part of the property damaged with equivalent property.

GLASS REPLACEMENT

Loss to glass caused by a peril covered under PERILS WE INSURE AGAINST will be settled on the basis of replacement with safety glazing materials when required by law.

INCREASE OF HAZARD

Unless "we" agree beforehand, coverage is suspended if the hazard is substantially increased by any means within the control or knowledge of "anyone we protect."

LAWSUITS AGAINST US

"We" may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within one year after the loss or damage occurs.

LOSS PAYMENT

"We" will settle any claim for loss with "you." "We" will pay "you" unless some other person is named in the policy or is legally entitled to receive payment. "We" will pay within 30 days after "we" receive "your" proof of loss and the amount of loss is finally determined by one of the following:

1. "we" have reached an agreement with "you;"
2. there is an entry of final judgment; or
3. there is a filing of an appraisal award on "your" behalf.

LOSS SETTLEMENT—Dwelling Coverage—Guaranteed Replacement Cost

The increased cost incurred to comply with the enforcement of any ordinance or law is not included under this condition, except for coverage that is provided under ADDITIONAL PAYMENTS, Ordinance Or Law Coverage.

"We" will pay no more than the actual cash value of the damage until the actual repair or replacement is completed. When the repair or replacement is completed, "we" will pay the additional amount "you" actually and necessarily spend to repair or replace the damaged part of the property.

If the property is actually repaired or replaced, payment will not exceed the smallest of the following amounts:

1. the "replacement cost" of that part of the dwelling damaged for equivalent construction and use on the same premises; or
2. the amount actually and necessarily spent to repair or replace the damaged dwelling.

When the loss is both less than \$5,000 and less than 5% of the amount of insurance applying to the loss, "we" will pay the "replacement cost" before actual repair or replacement is completed.

"You" may disregard the "replacement cost" provision and make claim for loss or damage to buildings on an actual cash value basis. However, "you" still have the right to make claim, within 180 days after the loss, for any additional amounts "we" will be required to pay under this LOSS SETTLEMENT provision.

LOSS SETTLEMENT—Other Structures Coverage—Replacement Cost

The increased cost incurred to comply with the enforcement of any ordinance or law is not included under this condition, except for coverage that is provided under ADDITIONAL PAYMENTS, Ordinance Or Law Coverage.

"We" will pay no more than the actual cash value of the damage until the actual repair or replacement is completed. When the repair or replacement is completed, "we" will pay the additional amount "you" actually and necessarily spend to repair or replace the damaged part of the property.

If the property is actually repaired or replaced, payment will not exceed the smallest of the following amounts:

1. the amount of insurance applying to the other structures;
2. the **"replacement cost"** of that part of the other structures damaged for equivalent construction and use on the same premises; or
3. the amount actually and necessarily spent to repair or replace the damaged other structures.

When the loss is both less than \$5,000 and less than 5% of the amount of insurance applying to the loss, **"we"** will pay the **"replacement cost"** before actual repair or replacement is completed.

"You" may disregard the **"replacement cost"** provision and make claim for loss or damage to other structures on an actual cash value basis. However, **"you"** still have the right to make claim, within 180 days after the loss, for any additional amounts **"we"** will be required to pay under this LOSS SETTLEMENT provision.

LOSS SETTLEMENT—Personal Property Coverage—Replacement Cost

The increased cost incurred to comply with the enforcement of any ordinance or law is not included under this condition.

1. Payment will equal the cost at the time of loss of a new article identical to the one damaged, destroyed or stolen. If the identical article is no longer manufactured or is not available, **"we"** will pay the cost of a new article similar to that damaged or destroyed and which is of comparable quality and usefulness. This provision also applies under Damage To Property Of Others coverage as provided under HOME AND FAMILY LIABILITY PROTECTION—SECTION II.
2. **"We"** also cover the cost of repair or replacement of:
 - a. carpeting;
 - b. cloth awnings;
 - c. household appliances; and
 - d. outdoor antennas and outdoor equipment.
3. Under Personal Property Coverage, **"we"** do not cover on a **"replacement cost"** basis loss to property:
 - a. unless maintained in good and workable condition;
 - b. unless repaired or replaced;
 - c. which is outdated or obsolete and which is stored or not being used; or
 - d. which by its nature cannot be replaced by a new article including, but not limited to, antiques, fine arts, souvenirs, and collectors' items.

When **"replacement cost"** coverage does not apply because of an exclusion under this section, **"we"** will pay actual cash value at the time of loss.

"We" will pay no more than the actual cash value of the damage until the actual repair or replacement is completed. When the

repair or replacement is completed, **"we"** will pay the additional amount **"you"** actually and necessarily spend to repair or replace the damaged part of the property.

If the damage is actually repaired or replaced, **"we"** will pay the smallest of the following amounts for any one item of insured property:

1. **"replacement cost;"**
2. repair cost; or
3. any special limitations described in the policy.

"We" will pay no more than the amount of insurance applying to personal property.

However, when the loss is both less than \$5,000 and less than 5% of the amount of insurance applying to the loss, **"we"** will pay the **"replacement cost"** before actual repair or replacement is completed.

"You" may make claim for loss on an actual cash value basis and then make claim within one year after the loss for any additional amounts **"we"** are required to pay under this LOSS SETTLEMENT provision.

LOSS TO A PAIR OR SET

If there is a loss to a pair or set, **"we"** may:

1. repair or replace any part of the pair or set to restore it to its value before the loss; or
2. pay the difference between actual cash value of the property before and after the loss.

MORTGAGE CLAUSE

Loss under Dwelling Coverage or Other Structures Coverage will be payable to mortgagees named on the **"Declarations,"** to the extent of their interest and in the order of precedence.

Our Duties

"We" will:

1. protect the mortgagee's interests in an insured building. This protection will not be invalidated by any act or neglect of **"anyone we protect,"** any breach of warranty, increase in hazard, change of ownership, or foreclosure if the mortgagee has no knowledge of these conditions;
2. give mortgagee 30 days prior notice if **"we"** cancel or refuse to continue this policy; and
3. give mortgagee notice if **"you"** cancel this policy.

Mortgagee's Duties

The mortgagee will:

1. furnish proof of loss within 60 days after receiving notice from **"us"** if **"you"** fail to do so;
2. pay upon demand any premium due if **"you"** fail to do so;

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3. notify "us" of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
4. give "us" the right of recovery against any party liable for loss. This will not impair the mortgagee's right to recover the full amount of the mortgage debt;
5. after a loss, permit "us" to satisfy the mortgage requirements and receive full transfer of the mortgage and all securities held as collateral to the mortgage debt; and
6. at "our" request, submit to examinations under oath.

Policy conditions relating to APPRAISAL, LOSS PAYMENT and LAWSUITS AGAINST US apply to the mortgagee.

This condition will also apply to any trustee named on the "Declarations."

NO BENEFIT TO BAILEE

No bailee will benefit, directly or indirectly, from this insurance.

OTHER INSURANCE

If both this insurance and other insurance apply to a loss, "we" will pay "our" share. "Our" share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance, except insurance in the name of an association or corporation of property owners.

If there is other insurance in the name of an association or corporation of property owners covering the same property covered by this policy, the other insurance applies first.

PERMISSION GRANTED TO YOU

Coverage applies even when "your" described dwelling is vacant or unoccupied, except where limited under PROPERTY PROTECTION—SECTION I, EXCLUSIONS—What We Do Not Cover—Dwelling And Other Structures Coverages, Exclusion 2.

"You" may make alterations, additions and repairs to "your" building, and complete structures under construction.

"You" may waive "your" rights to recovery against another involving the insured property. This must be done in writing prior to a loss.

RECOVERED PROPERTY

If "we" have made payment on property which has later been recovered by "you" or "us," "you" or "we" will notify the other of the recovery. "You" have a right to the recovered property. If "you" elect to have the property, "you" will repay "us" the amount of "our" payment to "you."

WHAT TO DO WHEN A LOSS HAPPENS

In case of a loss, "anyone we protect" must:

1. give "us" or "our" Agent immediate notice of the loss.
 - a. Hail losses must be reported within one year from the date the hail loss occurred.

- b. If the loss is due to criminal activity or theft, "you" must also notify the police;
2. do whatever possible to recover and protect the property from further damage. If it is necessary to protect the property, "you" must make reasonable repairs and keep a record of all repair costs;
3. furnish a complete inventory of damaged property including quantity, actual cash value and amount of loss claimed;
4. produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, other vouchers and other financial information as "we" may reasonably require;
5. show "us" or "our" representative the damaged property, as often as may be reasonably required;
6. at "our" request, separately submit to examinations and statements under oath and sign a transcript of the same;
7. cooperate with "us" in "our" investigation of a loss and any suits; and
8. send "us," within 60 days after "our" request, "your" signed and sworn proof of loss statement which includes an explanation of the following:
 - a. time and cause of loss;
 - b. "your" interest in the property and the interest of all others involved;
 - c. any encumbrances on the property;
 - d. other policies which may cover the loss;
 - e. any changes in title, use, occupancy or possession of the property which occurred during the policy term;
 - f. when required by "us," any plans, specifications and estimates for the repair of the damaged building;
 - g. the inventory of damaged property as prepared in Item 3. of this condition;
 - h. receipts for any additional living costs as a result of the loss, and records of pertinent rental loss; and
 - i. in case of claim under Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery Or Counterfeit Money Protection, an affidavit stating amount, time and cause of loss.

HOME AND FAMILY LIABILITY PROTECTION—SECTION II

Personal Liability Coverage includes Bodily Injury Liability Coverage, Property Damage Liability Coverage and Personal Injury Liability Coverage.

OUR PROMISE—Bodily Injury Liability Coverage And Property Damage Liability Coverage

"We" will pay all sums up to the amount shown on the "Declarations" which "anyone we protect" becomes legally